

REPOR

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THIS IS UNEVALUATED INFORMATION

1. The following deals not with people in particular but with condition (seen from the Soviet Zone viewpoint); to the contrary, they belong to the "possessing" who still own some private property - moreover, they have the bad reputation of formerly having been "capitalists", "exploiters" and "profiteers" of their employees.
2. The owners of the property to be discussed here are a married couple: husband, 68 - wife, 66. To be correct there are two properties, the one in the city of Neubrandenburg and the other in the country. The former does not yield any profits but carries the burden of taxation. It was the main source of the couple's income until 1945. It was valued at 52 thousand marks and consisted of (a) home and storage buildings and (b) a somewhat larger building for a well-equipped cabinemaker's shop. Part of the furniture sold was manufactured in the shop. A motor truck business so called "licensed goods transportation" was attached. It operated a three-ton truck and two trailers which were lost without compensation to the "Wehrmacht" and also a new "Wanderer" passenger car. All of the buildings burned down to the ground. The complete loss included valuable home furnishings.
3. The property on which the couple is living now was originally only a week-end lot, which, however, on account of a well-kept lake with good fishing and also some hunting, did not require any expenses. To the contrary, it brought some profit from the sale of fish and lobster. This property called Hartwigsdorf am Kreuzsee was valued at three thousand marks. After the property in the city had been lost, the couple naturally tried to use their country property for both a home and a source of income.
4. There is one morgen (0.63 acre) under cultivation and also an area not under cultivation, like roads and a yard. The house has a reed roof and no basement. It contains a three square yard porch, one heated bedroom, one unheated room, kitchen and toolroom. There is no bath, no toilet, no electricity, no gas, no sewage disposal. The toilet is in the stable

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enclosed by walls. When the authorities conducted a hygienic checkup, they commented favorably because it had a lid.

5. The stable is opposite the living quarters and has room for two large animals (horse or cattle), which however are not kept at the time being. They have now two goats, five pigs, 24 chickens and two geese. The stable has a partial one-third basement for storage of feed. This building did not exist in 1945 but was financed immediately thereafter from the sale of a diamond.
6. Like elsewhere, considerable looting by Soviet soldiers took place but they did not find buried valuables like jewelry, silver and furs.
7. There are the following dogs: one watchdog and three cocker spaniels (one of them male). All dogs are very alert. Up to a year ago the cocker spaniels were bred. However, this was discontinued partly because the breeding pair became too old and partly because of the change of conditions.
8. Nourishing medicines for puppies are lacking and so is a market for good dogs. They are no more allowed to be exported from the Soviet Zone. Inside the zone there is no demand because of lack of money and because hunting is prohibited by the authorities. Formerly, feeding for a three-month old dog amounted to 50 marks at the most and it sold for 500 marks, consequently a breeding pair could bring as much as 1500 marks a year. Today December 1952 costs are higher than income because the ceiling is 50 marks according to the motto "dog is dog". The village curs can easily meet the demands of the entire zone. More likely than not anyone wanting a dog can get him for free.
9. The reasons for the continued keeping of the cockers are not only humane but also the alertness of these dogs. The farm is very lonesome, the next village is over one kilometer away. Registration of dog breeding has, therefore, not been cancelled. For this reason four dogs cost as much in taxes as one because of the taxation laws.
10. Eight years ago an orchard was started with approximately 100 trees yielding now a relatively good and valuable crop, but the famous "Dog is dog" translated into "Fruit is fruit" prevents a fair return. There is a ceiling price on fruit which must not be overstepped in any case; as a result the most they can get is 35 marks for 100 pounds. The state-owned stores sell much higher. The state is the only one who may profiteer.
11. As mentioned before the lake brought considerable income until 1945. It had an abundance of lobsters which were in good demand and paid for as a luxury 30 pennings a piece. In addition, the following kind of fish were found: pike, tench and carp.
12. The lake was well-kept; it has a good hard rocky bottom, good water and good vegetation. In 1941 and 1942, one and two year old tenches were put in, also carp and one thousand trout. If this is done every four or five years, uniform yield can be expected (carp need not be put in this frequently). But in 1945 and 1946, the Soviets by means of bombs, bazookas and cluster charges, made an end to the fishes in the lake, including the young ones and the lobsters. To bring the lake back to production it would be necessary to (a) stop fishing entirely for some time, and (b) put in new fish again and let the lake get enough time to get well. However, means to buy young fish are lacking, the bucks, bags and large nets have been stolen and replacements of these tools is impossible and besides it would not make sense to catch a young fish if there were any.
13. Disregarding the actual condition of the lake (counting on the size of the lake only) the owners must deliver 10 cwt of fish per year for which 20 pfennings a pound is paid; 20 marks for a hundredweight. If the obligation is not fulfilled, expropriation is threatened, not of the momentarily worthless lake but of the whole property. Of course, the owners tried to

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point out to the authorities the condition the lake is in, but were told "bombs in the lake" was a lie. The owner because of lack of tools cannot do fishing himself, if there was anything to be fished out of the lake, but he can let somebody else do the fishing for a wage which would be higher than the yield. Consequently, the only thing he can do is to buy the fishes at 30 marks per cwt and sell them for 20 marks. The master fisher has refused to do the fishing for 300 marks wage because of the lake's rocky bottom which would tear up his large net valued at four thousand marks. Regarding deliveries of fishes to the state stores, the same motto "Dog is dog" or "Fruit is fruit" appears as "Fish is fish", except for the fact that the state stores know luxury fish when selling them at a price of six to ten marks a kilo (two pounds) for which they pay a maximum of 40 pfennigs per kilo.

14. To the topic of putting in young fish, this might be added: One hundredweight of one-year old tench is priced at 110 marks; two-year old ones are correspondingly higher. Transportation is 10% of the price on the average, but only the higher priced luxury fishes are actually available. Even if one assumes that conditions will be better after five or six years, it would still be impossible to restore the lake with fish because nobody in the Soviet Zone can afford to tie down money without interest for five or six years. Of course, the age of the owners has also something to do with this. They will probably be unable to do the hard work five or six years from now and will have to go to a home for the aged.
15. The following figures for expenses and income are of the last year (1951) (first column) (second column, green in German original is West Germany). They are, therefore, partially incomplete for the year 1952 but prices have remained unchanged. They should, therefore, represent a true picture of this year provided no losses from diseases of the animals occur.

<u>Expenses</u>	<u>East</u>	<u>West</u>
	<u>(In marks)</u>	
Yearly property taxes	100	100
Yearly taxes - dogs	50	50
Feed to be bought: a) 80 cwt potatoes (black market 6 per cwt)	480	240
b) 30 cwt hay (Open market - 4 per cwt)	120	120
c) Rent from meadow - mowing, handling and transportation of hay, vehicle to be rented	10	10
	35	35
d) Chicken feed (black market 85 cwt at 20 each)	160	40
Pig feed (85 cwt at 20 each)	1700	400
Purchase of seven farrows - 40 marks each	350	175
Repair material: nails, wire, boards, window glass (mostly through black market)	500	100
Kerosene for lamps - home and stable	240	100
Expenses for soap, washing powder, groceries (bread and noodles are no more rationed)	1450	1450
Loss from delivery of fishes	100	-
Expenses for apparel - the most vital necessities can be taken care of by the wife through mending and fixing garments given to them mostly from the US	-	-
Expense for underwear - two pairs of socks for the man	15	4
2 pairs of stockings for the women	8	6
Expense for shoes - one pair for the man - Iselite ersatz	80	40
No shoes bought for the wife, hers come also from the US		leather
Expense for the Neubrandenburg property (property is unavailable - no buyer with money for reconstruction is found yet - practically no one would take for free)		
Property tax	72	-
Liability and street cleaning	92	-
Interest on mortgage	100	-
<b>TOTAL</b>	<b>5,662</b>	<b>2,870</b>

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Opposite is income as follows

Disability premium (for instance for a 70% disabled man)

Sales: 6 pigs at 600 marks each after transportation

Fish

Fruit (delivered to state doors)

Fruit (private sales)

Private sale of one gold and diamond ring

GROSS INCOME

East West

900 1350

3600 1500

200 1000

140 500

150

1200 -

615 4350

EXPENSES

5662

Consequently, it almost looks like a profit of

528

16. Under normal conditions the hard work done by these two old people would even today bring its just reward. The property would be profitable since the animals fed with normally priced feed provide good profits. Of course, the orchard was also started with gains from the sale of high quality fruit in mind. The same could have been expected from the sale of lobsters and fishes from a well-kept lake. If this property were located in Western Germany all of the factors reducing its value would disappear. The hard work done is also very inconvenient in another respect. The next towns where business can be transacted are 10 and 12 kilometers from the property and unfortunately can be visited only by bicycle. Other occasional transportation being a lucky exception.
17. Theoretically speaking, the couple ought to give up this tremendously hard work without profit but there is no way for them to do so because they simply would not know where to go and disregarding the fact that they would not get a permit to live in any of the cities of the Soviet Zone, they would even less be able to cover the expenses of living in a city. For this reason, they try to keep their property by an occasional sale of their few remaining pieces of jewelry for another few years. Of course, this idea of "holding out" is closely connected with their hope that one day things will get better also in Eastern Germany. They hope that Soviet influence will disappear and a free economy will automatically bring normal prices into being.
18. Following are some prevailing prices in the Soviet Zone /as opposed to the Federal Republic of Germany/:
- |  | East       | West       |
|--|------------|------------|
|  | (in marks) |            |
| 1 pair of leather shoes  | 120        | 40         |
| Butter (one kilogram)  | 20         | 6 to 7 1/2 |
| Rice (inferior quality) (1 kilogram)   | 360        | 1          |
| Oats (1 kilogram)  | 106        | 1          |
| Noodles (1 kilogram)   | 2.40       | 1.60       |
| Coffee (not sold in the Soviet Zone) (1 kilogram)                                    |            | 40         |
| Tea (bad) (50 grams)   | 1.38       | 40 kg      |
| Cocoa (not sold in Soviet Zone)  |            | 8 kg       |
| Genuine pepper (not sold in Soviet Zone)   |            | 40 kg      |
| Vegetables (hard to get in Soviet Zone, easily in Western Germany at varying prices) |            |            |
| Flour (1 kilogram)   | 1.60       | .80        |
| Margarine (1 kilogram)   | 14         | 2.40       |
| Work pants - men   | 44         | 25         |
| Work dress - women   | 50         | 20         |
| Fabric for overcoat - men  | 18 to 30   | 8 (approx) |
| Knitting wool (unavailable in Soviet Zone)   |            | 40 kg      |
19. A great part of the food, especially the food under rationing is of inferior quality. Textiles and leather goods or substitutes for the latter are always of inferior fast outwearing quality.
20. It must not remain unmentioned that some items do not appear at all - for instance, the important question of heating fuel. The embankment of the lake, a partly narrow and partly wide strip of land, is part of the property and

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contains a fairly large number of bees, some of which are cut every year. Expenses from cutting, transportation, splitting are mostly covered without money, either by giving part of the wood, or by rendering other services, which the couple is able to furnish (a kind of mutual neighborly help).

21. Expenses for medicine for man and animal or other smaller items are covered by earnings for carpenter work [REDACTED]

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22. Regarding income from the property, it might be added that income from farm animals is a safe one as long as the animals remain healthy and usable. The small size of the property is an advantage because no obligation to deliver meat is connected with it. This would be the case if there were only a few more square meters of productive area.

23. [REDACTED]

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[REDACTED] In the West (not in Berlin and the Soviet Zone) money could be taken from private accounts in banks and other monetary institutions. The limit was 300 marks per month. Nobody who had savings needed to sell his last belongings if he had no current earnings. In Eastern Germany all private accounts are still locked today. There are no reports whatsoever that allied soldiers of the West ever maliciously destroyed the fish life of a valuable lake. Even if this had happened, the German owner would have been able to restock the lake. According to this the lake would have been back to normal and nobody in the West would have asked for impossible deliveries (in addition damage caused by the occupation was recognized and reimbursed) though not by the occupying powers, but by the German authorities. Consequently after 1950 considerable income from the lake could have been had. Quality fish command a good price just as before the war.

24. Taxes in the West are the same as in the East but pensions are much higher than in the East and partially also in Berlin. The average is 50% more. The Neubrandenburg property could have been rebuilt or, at least, sold. There heavy private construction in the West, while the East the state is the only builder. In any case, it would have been possible to get rid of any obligations from this property.
25. Construction of the stable from the sale of property would have been possible in the West after 1945 under approximately the same conditions as in the East. Breeding of dogs is still profitable in the West, although the prices for puppies are no more quite so high.
26. It had been planned formerly to convert part of the lake into a beaver farm. Expenses for the plant are high, but so are profits. Credit is available in the West in cases like this, but the couple would not have needed any because they could have used the money from the sale of their jewelry for this purpose.
27. Quality fruit has its proper price in the West. At this time one kilogram of good apples costs 1.20 marks to 1.50 marks.
28. Finally, regarding animals, farmers and breeders themselves are interested to sell their products in the West. They sell and buy, and prices for the most part are determined by market conditions which in itself is sound. Of course also in the West the last war is strongly felt by everybody and nobody can accumulate sufficient working capital quickly due to the eagerness and tenacity of the tax collecting office.
29. Prices of hogs are lower in the West than in the East, but actual gains are higher in the West because feed does not cost black market prices. Also

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normal legal trade and not the black market is responsible for supplying nails, wire and other repair material. The gain-and-loss sheet would, therefore, show an entirely different picture. Expenses would be lower and gains higher.

30. For this reason [REDACTED] have put the column "West" (green figures in the German original) besides the column "East". It shows a nice surplus. Of course, one could lightheartedly dispense with primitive discomforts and have higher expenses again.

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31. [REDACTED] this comparison is not just play, it is intended to show why people over there hold on. Hope is too great that one day the German East will find contact again with culture and civilization.

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32. Note: No gains are shown from the keeping of chickens. This is explained by the following:

- a) The larger part of the chickens are too young.
- b) Eggs obtained from laying hens are either used in the household, given instead of money for help received. Too few are sold for pfennigs to play a role in the entire financial picture.

Assuming that dogs could be bred profitably in the West, the following would have to be added:

Expenses:	2870
Breeding of three puppies	<u>150</u>
	3020
Income:	4650
Sale of three puppies	<u>740</u>
	5400
Minus expenses of	<u>3020</u>
Profit	2380
Assuming and deducting 25% profit taxes	<u>755</u>
Would still leave profit of (without sale of jewelry)	1625

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